STATE MS.-DESOTO CO.
FILED
MAY 31 4 15 PM '96
BK 71 PG 729
W.E. DAVIS CH. CLK.

Horn Lake, MS

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STATE MS.-DESOTO CO.
FILED
JUL 11 11 03 AM '96
BK 72 PG 199
W.E. DAVIS CH. CLK.

MEMORANDUM OF MASTER DEED OF LEASE AND OPTION TO PURCHASE

THIS MEMORANDUM OF MASTER DEED OF LEASE AND OPTION TO PURCHASE (this "Memorandum"), is dated as of the 14th day of May, 1996, by and between STATE STREET BANK AND TRUST COMPANY, a Massachusetts trust company, not in its individual capacity, but solely as Trustee under Declaration of Trust dated October 11, 1995 ("Lessor"), having an address at Two International Place, Fourth Floor, Boston, Massachusetts 02110 (Attention: Arthur J. MacDonald, Assistant Vice President, Corporate Trust Department), and HEILIG-MEYERS FURNITURE COMPANY, a North Carolina corporation ("Lessee"), having an address at 2235 Staples Mill Road, Richmond, Virginia 23230 (Attention: Roy B. Goodman, Senior Vice President-Finance/Secretary and Treasurer).

WITNESSETH:

Lessor and Lessee entered into a Master Deed of Lease, dated as of October 11, 1995 (as amended, supplemented or otherwise modified from time to time, the "Lease"), wherein Lessor has let and demised to Lessee various properties as described therein (the "Property"), including, without limitation, the land more particularly described on Exhibit "A" attached hereto and incorporated herein for all purposes, together with all structures, buildings and other improvements now or hereafter located thereon and all agreements, easements, licenses, rights of way or use, appurtenances, tenements, hereditaments and other rights and benefits now or hereafter belonging or pertaining to such land or the improvements thereon.

This Memorandum is to be recorded in order that third parties will have notice of the existence of the Lease.

With respect to the property described on Exhibit "A", the Lease is for a term commencing on the date hereof and continuing until December 1, 2000.

The Lease contains certain mandatory and optional purchase rights and obligations during the term of the Lease pursuant to which Lessee may acquire all or portions of the Property, which rights and obligations are set forth in Paragraphs 12, 13, 14, 15 and 27 of the Lease. Such rights include, without limitation, a duty of Lessor under certain circumstances to first offer to Lessee the right to purchase the Property upon the terms and conditions set forth in

Section 14(a)(i) of the Lease prior to selling or disposing of the Property. Any sale in violation of such Section shall be void and of no effect.

In addition to those terms referred to herein, the Lease contains numerous other terms, covenants, and conditions which affect the Property, and notice is hereby given that reference should be had to the Lease directly with respect to the details of such terms, covenants and conditions. All of the terms, conditions, provisions and covenants of the Lease are incorporated in this Memorandum by reference as though written out at length herein, and the Lease and this Memorandum, shall be deemed to constitute a single instrument or document; provided, that in the event of a conflict between this Memorandum and the Lease, the terms and conditions of the Lease shall govern, and nothing herein shall be construed to be a modification of or amendment to any of the terms and conditions of the Lease. Capitalized terms used herein and not otherwise defined have the meanings ascribed thereto in the Lease.

THE LEASE SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF VIRGINIA, WITHOUT REGARD TO ITS CONFLICT OF LAWS PRINCIPLES; PROVIDED THAT TO THE EXTENT THAT AT ANY TIME A PORTION OF THE PROPERTY IS LOCATED IN A STATE OTHER THAN THE STATE OF VIRGINIA THE LAWS OF SUCH STATE SHALL GOVERN SUCH PROVISIONS, IF ANY, OF THE LEASE TO THE EXTENT THAT THE STATE IN WHICH SUCH PORTION OF THE PROPERTY IS LOCATED REQUIRES THAT THE LAWS OF SUCH STATE BE APPLIED TO THE LEASE, IN WHICH CASE AND TO SUCH EXTENT, THE LEASE SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF SUCH STATE. IT IS EXPRESSLY AGREED, HOWEVER, THAT IT IS THE DESIRE AND INTENT OF THE PARTIES THAT THE LAW OF THE STATE OF VIRGINIA GOVERN ALL PORTIONS OF THE LEASE TO THE EXTENT THAT SUCH INTENT MAY BE HONORED WITHOUT VIOLATION OF THE LAW OR PUBLIC POLICY OF THE STATE IN WHICH ANY PORTION OF THE PROPERTY IS LOCATED.

This Memorandum may be executed in several counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

A complete copy of the Lease is on file at the office of the Lessee as set forth above.

[SEE ATTACHED SIGNATURE PAGES]

SIGNATURE PAGE ATTACHED TO MEMORANDUM OF MASTER DEED OF LEASE AND OPTION TO PURCHASE

EXECUTED as of the date first written above.

LESSOR:

STATE STREET BANK AND TRUST COMPANY, a Massachusetts trust company, not in its individual capacity but solely as Trustee under Declaration of Trust dated October 11, 1995

By: Arthur J. MacDonald
Arthur J. MacDonald,
Assistant Vice President

COMMONWEALTH OF MASSACHUSETTS §

COUNTY OF SUFFOLK §

Personally appeared before me, the undersigned authority in and for the said county and state, on this 1st day of May, 1996, within my jurisdiction, the within named ARTHUR J. MACDONALD, who acknowledged that he is Assistant Vice President of STATE STREET BANK AND TRUST COMPANY, a Massachusetts trust company, and that for and on behalf of the said trust company and as its act and deed in its capacity as Trustee under that certain Declaration of Trust dated as of October 11, 1995, he executed the above and foregoing instrument, after first having been duly authorized by said trust company so to do.

Notary Public

My Commission Expires:

SCOTT KNOX
Notary Public
My Commission Expires July 12, 2002

TO BE ATTACHED TO MEMORANDUM OF MASTER DEED OF LEASE AND OPTION TO PURCHASE FOR RE-RECORDING PURPOSES

COMMONWEALTH OF MASSACHUSETTS §

COUNTY OF SUFFOLK §

Personally appeared before me, the undersigned authority in and for the said county and state, on this 7th day of June, 1996, within my jurisdiction, the within named ARTHUR J. MACDONALD, who acknowledged that he is Assistant Vice President of STATE STREET BANK AND TRUST COMPANY, a Massachusetts trust company, and that for and on behalf of the said trust company and as its act and deed in its capacity as Trustee under that certain Declaration of Trust dated as of October 11, 1995, he executed the above and foregoing instrument, after first having been duly authorized by said trust company so to do.

Notary Public

My Commission Expires:

SCOTT KNOX
Notary Public
My Commission Expires July 12, 2002

SCOTT KNOX NOTARY PUBLIC

SIGNATURE PAGE ATTACHED TO MEMORANDUM OF MASTER DEED OF LEASE AND OPTION TO PURCHASE

EXECUTED as of the date first written above.

LESSEE:

HEILIG-MEYERS FURNITURE COMPANY,
a North Carolina corporation

By: William E. Helms
Name: William E. Helms
Title: Senior Vice President,
Corporate Expansion

COMMONWEALTH OF VIRGINIA §
§
CITY OF RICHMOND §

Personally appeared before me, the undersigned authority in and for the said county and state, on this 25th day of April, 1996, within my jurisdiction, the within named William E. Helms, who acknowledged that he is Senior Vice President, ~~Corporate Expansion~~ of HEILIG-MEYERS FURNITURE COMPANY, a North Carolina corporation, and that for and on behalf of the said corporation and as its act and deed he executed the above and foregoing instrument, after first having been duly authorized by said corporation so to do.

Kay T. Eaves
Notary Public

My Commission Expires:
2/28/2000

Indexing Instruction:

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TO BE ATTACHED TO MEMORANDUM OF MASTER DEED OF LEASE AND OPTION TO PURCHASE FOR RE-RECORDING PURPOSES

COMMONWEALTH OF VIRGINIA §
§
CITY OF RICHMOND §

Personally appeared before me, the undersigned authority in and for the said ~~county~~ city and state, on this 6 day of June, 1996, within my jurisdiction, the within named WILLIAM E. HELMS, who acknowledged that he is Senior Vice President, Corporate Expansion, of HEILIG-MEYERS FURNITURE COMPANY, a North Carolina corporation, and that for and on behalf of the said corporation and as its act and deed he executed the above and foregoing instrument, after first having been duly authorized by said corporation so to do.

Kay T. Eaves
Notary Public

My Commission Expires:
2/28/2000

KAY T. EAVES
NOTARY PUBLIC
COMMONWEALTH OF VIRGINIA

EXHIBIT "A"

Description of Parcel

All that certain lot, piece or parcel of land with all improvements thereon and all appurtenances thereto belonging, more particularly described as follows:

Lot 54 of Goodman 51 Commercial and Industrial Park, Section C, located in the Northeast Quarter of the Northwest Quarter of Section 35, Township 1 South, Range 8 West, Horn Lake, DeSoto County, Mississippi, as per plat thereof of record in Plat Book 53, Page 25, in the Chancery Court Clerk's office of DeSoto County, Mississippi.